

Message Text

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PAGE 01 STATE 168739

12

ORIGIN COME-00

INFO OCT-01 EA-11 IO-14 ISO-00 FEA-02 AGR-20 CEA-02

CIAE-00 DODE-00 EB-11 FRB-03 H-03 INR-11 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 /182 R

DRAFTED BY COMMERCE:D.FELLMAN:SMM

8/2/74 395-3395

APPROVED BY STR:J.A.MCNAMARA

AGRICULTURE:D.WANAMAKER

COMMERCE:F.MONTGOMERY

INTERIOR:J.SLATER

LABOR:J.COYLE

STATE:W.ADAMS

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R 022006Z AUG 74

FM SECSTATE WASHDC

TO USMISSION GENEVA

AMEMBASSY WELLINGTON

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C O R R E C T E D C O P Y - T Y P O E R R O R S I N F I G U R E S

E.O. 11652: N/A

TAGS: GATT, NZ, ETRD

SUBJECT: GATT ARTICLE XXVIII NEGOTIATIONS - NEW ZEALAND

REF: GENEVA 2962; GATT/SECRET/220, 22 MAY 1974

1. WE HAVE REVIEWED THE GNZ ARTICLE XXVIII PROPOSALS COVERED BY GATT/SECRET/220, 22 MAY 1974, AND CONCLUDE THAT US TRADE IMPAIRMENT RESULTING FROM TARIFF INCREASES ANNOUNCED AMOUNTS TO US DOLS 2.3 MILLION. MISSION IS THEREFORE REQUESTED TO INFORM NZ MISSION OF USG REQUESTS FOR COMPENSATION TO OFFSET IMPAIRMENT.

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PAGE 02 STATE 168739

TION TO OFFSET IMPAIRMENT.

2. WE INCREASINGLY DISTURBED BY GNZ TENDENCY TO FLOUT GATT RULES THROUGH REPEATED ARTICLE XXVIII ACTIONS WITH NO APPARENT URGENCY SETTLE PREVIOUS OUTSTANDING ACTIONS WHICH HAVE EXTENDED ALREADY OVER TWO YEARS. WE HAD HOPED GNZ WOULD ABIDE BY GATT RULES AND NOT TAKE MEASURES TO IMPLEMENT TARIFF INCREASES PRIOR REACHING AGREEMENT ON COMPENSATION BILL. NOW UNDERSTAND THAT TARIFF INCREASES IMPLEMENTED JULY 1. MISSION SHOULD STRESS TO NZ PERMANENT REPRESENTATIVE GENEVA THE SERIOUSNESS WITH WHICH USG VIEWS THESE ACTIONS IN CLEAR VIOLATION GATT ARTICLE XXVIII. ALSO AT FIRST APPROPRIATE OPPORTUNITY EMBASSY WELLINGTON SHOULD AGAIN EXPRESS SIMILAR CONCERN TO GNZ.

3. US NOTES THAT ALL US TRADE CONCENTRATED IN ITEMS 39.01.019, 39.02.019, 39.02.029, AND 39.02.039 WHICH ARE ITEMS IN WHICH TARIFFS BEING INCREASED FROM ZERO TO 25 PERCENT. THERE IS NO US PRESENT TRADE IN ITEMS WHERE RATES ARE BEING REDUCED TO ZERO. IN ADDITION, MINISTERIAL AUTHORITY APPLIES TO THREE OF THE PROPOSED NEW TARIFF ITEMS, NAMELY 39.01.012, 39.02.012 AND 39.02.022, WHICH ALLOWS DISCRETION AS TO WHICH PRODUCTS WILL BE ELIGIBLE FOR DUTY-FREE ENTRY. WE DO NOT KNOW WHAT RATES THE MINISTER WILL IMPOSE IN LIEU OF DUTY-FREE ENTRY BUT THE ABSENCE OF A SPECIFIED CEILING RATE ON THESE ITEMS MEANS THERE WOULD BE NO EFFECTIVE LIMIT ON THE HEIGHT OF THE DUTY WHICH MIGHT BE IMPOSED. SUCH CONCESSIONS ARE CONTRARY TO FUNDAMENTAL GATT PRINCIPLES WHICH PROVIDE FOR NEGOTIATED SCHEDULES WHICH INTENDED TO PROVIDE STABILITY TO TRADING SYSTEM THROUGH TARIFF BINDINGS WHICH ASSURE SPECIFIED PROTECTION LEVELS. BY OFFERING FREE BINDINGS BUT WITH MINISTERIAL DETERMINATION AS TO WHICH PRODUCTS ENTER FREE GNZ APPEARS TO BE OFFERING CONCESSION WITH ONE HAND BUT TAKING IT AWAY WITH OTHER.

4. THE US THEREFORE CANNOT ACCEPT TARIFF REDUCTION ON 39.01.011, 39.02.001, 39.02.021 AS MEETING GNZ OBLIGATIONS UNDER ARTICLE XXVIII TO "MAINTAIN A GENERAL LEVEL OF RECIPROCAL AND MUTUALLY ADVANTAGEOUS CONCESSIONS NOT LESS FAVORABLE TO TRADE THAN THAT PROVIDED FOR IN THIS AGREEMENT LIMITED OFFICIAL USE

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PAGE 03 STATE 168739

MENT PRIOR TO SUCH NEGOTIATIONS". ACCORDINGLY, THE US REQUESTS COMPENSATION APPROXIMATELY EQUAL IN VALUE TO THE DOLS 2.3 MISSION WORTH OF IMPORTS ON WHICH THE DUTY-FREE PROVISIONS WILL BE ELIMINATED. MISSION INSTRUCTED PRESENT TO GNZ THE FOLLOWING REQUESTS FOR COMPENSATION DESIGNED TO ACHIEVE OFFSETTING BALANCE. US TRADE IN REQUESTED ITEMS VALUED AT US DOLS 2.3 MILLION.

B TN 08.02.201 LEMONS FRESH, REDUCE MFN 91.5 CENTS PER 100 KG. TO 45.7 CENTS PER 100 KG.

B TN 08.02.202 GRAPEFRUIT, FRESH, REDUCE MFN 91.5 CENTS PER 100 KG. TO 45.7 CENTS PER 100 KG.

B TN 20.07.001 CITRUS JUICE, BULK, SWEETENED, REDUCE MFN 36.5 PERCENT TO 18 PERCENT

B TN 32.09.003 VARNISHES AND LACQUERS, REDUCE MFN 56 PERCENT TO 30 PERCENT;

B TN 32.09.004 DISTEMPERS, REDUCE MFN 60 PERCENT TO 35 PERCENT

B TN 32.09.013 PAINTS , MIXED, READY FOR USE, REDUCE MFN 46 PERCENT TO 23 PERCENT

B TN 32.09.021 ENAMELS, REDUCE MFN 46 PERCENT TO 23 PERCENT

B TN 34.02.000 ORGANIC SURFACE ACTIVE AGENTS AND PREPARATIONS, WHETHER OR NOT CONTAINING SOAP, REDUCE MFN 60 PERCENT TO 30 PERCENT

B TN 37.05.009 PLATES AND FILM, OTHER THAN SLIDES FOR PROJECTORS, REDUCE MFN 43 PERCENT TO 20 PERCENT

B TN 84.15.219 REFRIGERATORS AND REFRIGERATER EQUIPMENT (ELECTRICAL AND OTHER) - OTHER KINDS, REDUCE MFN 57 PERCENT TO 30 PERCENT

B TN 84.18.139 FILTERING AND PURIFYING MACHINERY AND APPARATUS FOR LIQUIDS, REDUCE MFN 56 PERCENT TO 30 PERCENT

B TN 84.20.009 WEIGHBRIDGES, COAL AND SIMILAR WEIGHING MACHINES, ETC., REDUCE MFN 43 PERCENT TO 20 PERCENT

B TN 84.21.001 SELF-CONTAINED FIRE EXTINGUISHING APPLIANCES, REDUCE MFN 38 PERCENT TO 20 PERCENT

B TN 85.19.159 SWITCHBOARD AND CONTROL PANELS, REDUCE MFN 41 PERCENT TO 20 PERCENT

B TN 98.08.001 TYPEWRITER AND SIMILAR RIBBONS, REDUCE MFN 54.5 PERCENT TO 30 PERCENT

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PAGE 04 STATE 168739

TSC PAPER CONTAINING TRADE DATA BEING POUCHED TO ADDRESSEES.

5. USG REQUESTS INR BINDINGS ON ALL ABOVE REQUESTED CONCESSIONS.

6. REGARDING B TN 39.02.011, GATT NOTIFICATION SHOWS FREE RATE BUT NZ TARIFF SCHEDULE SHOWS 25 PERCENT. PLEASE REQUEST CLARIFICATION. KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Concepts: CUSTOMS DUTIES, IMPORTS, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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30 JUN 2005

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To: GENEVA WELLINGTON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005